

## Message Text

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PAGE 01 NAIROB 02127 040925 Z

43

ACTION COME-00

INFO OCT-01 AF-10 ADP-00 EB-11 CIAE-00 INR-10 NSAE-00

RSC-01 RSR-01 /034 W

----- 102187

R 031435 Z APR 73

FM AMEMBASSY NAIROBI

TO SECSTATE WASHDC 1444

UNCLAS NAIROBI 2127

E. O. 11652: N/ A

TAGS: ETRD KE

SUBJ: JOHNS MANSVILLE PROPOSED INVESTMENT IN KENYA

PASS COMMERCE DENVER FIELD OFFICE

1. MATU WAMAE, GENERAL MANAGER OF GOK'S INDUSTRIAL AND COMMERCIAL DEVELOPMENT CORPORATION ( ICDC) AND JOHNS MANSVILLE CORPORATION OF DENVER, COLORADO, HAVE RECENTLY HELD DISCUSSIONS ON ESTABLISHMENT OF DIATOMITE PROCESSING PLANT IN KENYA. CONCLUSION OF AGREEMENT, ACCORDING TO WAMAE, BEING HELD UP BY MANSVILLE'S INSISTENCE ON SALES COMMISSION OF 14 PERCENT PER ANNUM ON GROSS SALES ( ICDC COUNTER OFFERING 10 PERCENT) AND MANAGEMENT FEE OF 6 PERCENT OF GROSS SALES ( ICDC COUNTER OFFERING 4 PERCENT).

2. WAMAE CLAIMS THAT GOK IS ALREADY OFFERING PRECEDENT-BREAKING TERMS OF 50 - 50 SHARE ON EQUITY HOLDING WHEN GOK POLICY FOR EXTRACTIVE INDUSTRIES IS TO OBTAIN MAJORITY SHAREHOLDING. WAMAE ALSO ASSERTS THAT IN OTHER EXTRACTIVE VENTURES ( E. G., CONTINENTAL ORE) FOREIGN INVESTOR ACCEPTED SALES COMMISSION OF 5 PERCENT AND MANAGEMENT FEE OF 3 PERCENT ON GROSS SALES. WAMAE HAS SPELLED THIS OUT IN LETTER OF MARCH 21 TO AFFILIATE COMPANY BASED IN PARIS.

3. EMBASSY WOULD APPRECIATE IF FIELD OFFICE WOULD INFORM COMPANY HEADQUARTERS OF WAMAE'S REMARKS. IF NO OTHER ISSUES INVOLVED, FIELD OFFICE AT ITS DISCRETION MAY INDICATE EMBASSY'S HOPE THAT

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PAGE 02 NAIROB 02127 040925 Z

COMPANY WILL BE FLEXIBLE IN FAVORABLY CONSIDER ING GOK' S COUNTER  
OFFER.

MCILVAINE

NOTE BY OC/ T: NOT PASSED ABOVE ADDRESSEE.

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\*\*\* Current Handling Restrictions \*\*\* n/a

\*\*\* Current Classification \*\*\* UNCLASSIFIED

## Message Attributes

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**Subject:** JOHNS MANSVILLE PROPOSED INVESTMENT IN KENYA PASS COMMERCE DENVER FIELD OFFICE  
**TAGS:** ETRD, KE  
**To:** COME  
**SECSTATE WASHDC**  
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